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SUBJECT: Moving on Up? Dongzhou Doesn't Faze Guangdong Party Secretary

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¶1. (SBU) Summary: Despite the problems of the December Dongzhou and other recent protests, the credibility of Guangdong Provincial Party leaders appears strong. On the public side, Party Secretary Zhang Dejiang has given a number of well-received speeches instructing local leaders on how to better manage land development and citizens' complaints. Meanwhile, within the Party, a mid-April trip to North Korea led by Zhang's deputy, and the recent sentencing of 12 Dongzhou protestors, lend credence that Zhang and his Deputy could be promoted this fall. End summary.

¶2. (SBU) Guangdong Province is susceptible to land protests because the area is so densely populated with residential and industrial interests, which seek to develop the limited land outside of cities. The apex of the problem came in December 2005, in the Dongzhou village protest which left between three and thirty people dead (ref E). In the wake of Dongzhou and other protests, Guangdong Provincial Party Secretary - Zhang Dejiang - appeared to be on the way out

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(see refs C and D). However, since December, Zhang and other Guangdong leaders have been creatively trying to deal with issues of land compensation and citizens' complaints. There have been a number of speeches in the past few months describing the proper handling of land development and complaints from the people. The Guangdong Party School has increased its training in anti-corruption and management skills (ref B). It appears that Zhang has rebounded from a previous slump in confidence and may perhaps earn a promotion by this fall's Central Party Committee (CPC) meeting

"Three Taboos" of Land Development

¶3. (SBU) The first major speech to improve land development occurred on December 23 at the ninth Guangdong Communist Party Committee (quoted by the People's Daily on January 4). Zhang Dejiang offered three "taboos" before building projects could begin. The taboos were, 1) construction

projects cannot start without complete documents and formalities for land requisition; 2) building projects cannot go ahead without a democratic consensus on compensation reached with farmers involved in the land requisition; and, 3) work cannot begin on any construction project where farmers have not been paid compensation in full.

"Listen to the People": The Petition System

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14. (SBU) On March 24, Zhang addressed the importance of the petition system for effective management. In front of a delegation of officials from petition departments all over the province, Zhang commented on the role of the petition office as a right of the people and responsibility for the communist leadership. He said, "Making petitions is the democratic right of the people...It is the responsibility of the party committee and the government to solve petition problems. Party committees and governments at all levels should attach great importance to petitions, strengthen leadership in the petition work, and earnestly solve the people's petition problems. Leaders not paying attention to petitions mean they have little feeling for the people."

Petition System Remains only "Administrative" Solution

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15. (SBU) Professor Dong Jianxin, a leading political scientist from Jinan University in Guangzhou, said Zhang's speeches indicate there is new emphasis on improving the petition system in Guangdong. Nevertheless, Dong believes that the implementation of petition law at the lower levels, not the provincial level, is more important. Overall Dong considered the petition system ineffective because it is not "judicial, only administrative." The judicial branch remains very weak in China and the petition system only

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implements party decisions. In terms of land development, currently farmers must work against private developers to prevent their land from being consumed in development. Dong said the government should be the middleman to protect the farmers, with the judicial branch as a channel for these complaints.

16. (SBU) Dong was unwilling to directly assess Zhang's performance, but he did say that Guangdong's strong economic position bodes well for Zhang. Overall the trend in China has been to emphasize the quality of leadership, not the quantity. On May 26, the South China Morning Post reported that Beijing has moved to introduce a new scheme for assessing the performance of local governments. The new assessment mechanism aims to change local cadres' mindset from boosting growth at all costs to enhancing the efficient use of resources, lowering wastage and reducing pollution. This is long-overdue and hopefully will lead the mainland on the path to sustainable development. Next month, Beijing will release, for the first time, figures on how different regions are doing in meeting national goals on reducing energy consumption and alleviating pollution. The central government has also pledged to punish cadres who fail to achieve so-called green GDP indicators. It is to be hoped that these measures will combine to slow down, if not halt, the rapid rate at which the mainland environment has deteriorated and lead to quality growth.

The Rehabilitation of Mr. Zhang

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17. (SBU) There have been a number of signs that indicate Zhang has fully recovered from the blemish of the Dongzhou incident. First, on February 16, the front page of the People's Daily complimented Guangdong for its successful development in 2005 based on "scientific development approach". Most recently, Shanwei prefectorial judges (the city responsible for Dongzhou) sentenced 12 of the Dongzhou villagers to at least a three-year prison sentence for use of bombs to disrupt public order (see ref A). Meanwhile the

local party officials involved in the incident received only internal party warnings. The light sentence would indicate that Zhang's leadership was not to blame.

¶8. (SBU) Finally, Zhang Dejiang has also gotten more attention from national media. CCTV recently conducted exclusive interviews with Zhang Dejiang as well as Liu Qi (Beijing's Party Secretary) and Chen Liangyu (Shanghai Party Secretary), to review the CPC's large campaign of

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"maintaining the advanced status of the CPC". The interview is said to be soon broadcasted in CCTV and published in seven central newspapers, including the People's Daily.

Bright Future for Deputy Secretary

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¶9. (SBU) Moreover, in mid-April, Guangdong Deputy Party Secretary Liu Yupu's led a national-level CPC delegation to

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North Korea. This might be a signal of his promotion. It has been a CPC routine practice to send promising officials with great potentials to take official visits overseas before their promotion. Supporting evidences of this "rule" have been found from state leaders like Deng Xiaoping, Zhao Zhiyang, Li Peng, Hu Jintao, Li Changchun (former Guangdong Party Secretary), and Huang Ju (former Shanghai Secretary and now a standing politburo member). Moreover, like Hu Jintao, Liu has a Youth League background. From 1982 to 1986 Liu was a member of the Standing Committee of the Youth League Central Committee, and the secretary of the Youth League Committee of Institutions of CPC Central Committee and the State Government.

Comment: Some New Guests at the Party

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¶10. (SBU) Zhang Dejiang governs China's possibly most difficult province. Guangdong has China's largest single economy, largest overall population (estimated at 110 million) and the largest migrant population (estimated as high as 30 million). These factors coupled with numerous land and urban protests and intense media attention from Hong Kong mean that Zhang's actions are carefully followed. Zhang nevertheless appears to have recovered from his problems in December. The recent sentencing of the Dongzhou villagers, which likely was influenced by higher authorities in Beijing, further bolsters Zhang's credibility by supporting the police crackdown as a necessary, albeit

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aggressive, responsive to a violent group.

¶11. (SBU) This fall the Central CPC Committee will hold its 17th Party Congress. We will see leadership changes at provincial, municipal, and county level. In Guangdong Province, one change may include the addition of non-Communist members. On June 1 the Guangzhou Communist Party Committee held a meeting to reshuffle its government officials on the prefectorial level and declared that at least one non-Communist Party member should hold a deputy position at each government level. On the provincial level, it will be interesting to observe whether Zhang will be promoted to Beijing and replace the sick Standing Politburo member, Huang Ju, and whether Liu Yupu will become the next Guangdong Party Secretary. Zhang Dejiang belongs to the "Shanghai Gang" (a group of top officials associated with Jiang Zemin). The "Shanghai Gang" surely will not want to lose their influence and control by losing Zhang's position to the "Beijing Gang" (officials associated with Hu Jintao and Wen Jiabao). Thus the "Shanghai Gang", might make a deal with Hu to make Zhang a Standing Politburo member, and let Liu Yupu become the new Guangdong Secretary.

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